



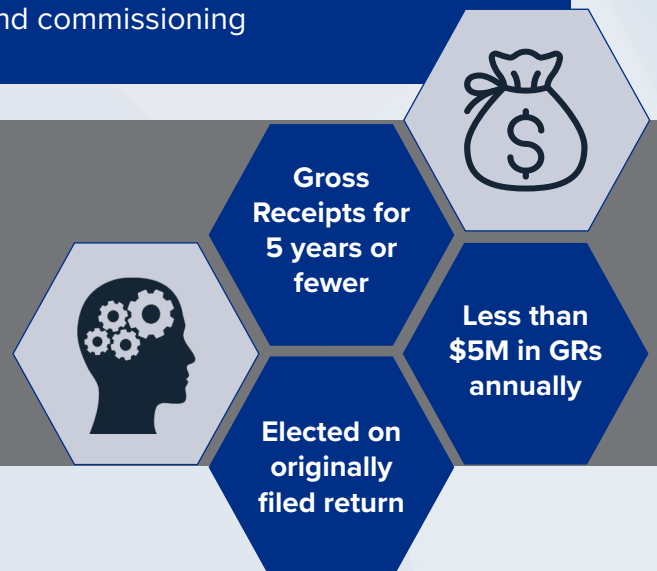
R&D Tax Credit for Plumbing Contractors

The Credit for Increasing Research Activities (IRC Section 41) or the R&D Tax Credit, as it is more commonly known, has been around since 1981. While the methodologies for calculating and documenting the credit have evolved through the years, the R&D Tax Credit remains a great benefit to the taxpayers that are eligible for this incentive. With the PATH Act of 2015 making the R&D Tax Credit permanent and enabling eligible start-up companies to offset payroll taxes, some taxpayers do not even have to be in a taxable position to benefit from the credit!

Example Qualifying R&D Credit Activities for Plumbing Contractors

- » Design and development of new plumbing systems or wastewater treatment plants for new or renovated buildings or structures
- » Development of improvements/upgrades for existing systems or wastewater plants
- » Design and development of sprinkler and fire protection systems
- » Design and engineering of system layouts and routing
- » System design and engineering to meet water usage, conservation, or environmental requirements
- » Design and development to achieve Leadership in Energy and Environmental Design (LEED) or energy efficient requirements
- » Building Information Modeling (BIM) to develop designs and evaluate constructability and functionality
- » Programming and installation of Programmable Logic Controllers (PLCs)
- » Plumbing or wastewater treatment system testing and commissioning

New businesses and start-up companies may be eligible to apply the R&D Tax Credit against their payroll taxes for up to five years. Eligible companies can claim a payroll-tax offset of up to \$500,000 annually.



If you'd like more information or if you have any questions, please contact a member of the R&D team:
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